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Steve Parrish, briefing to Board, Sea Island, April 29.

I am delighted to have this opportunity to discuss with the Board some of the important issues facing the various PM operating companies. I would like to provide you with a quick review of the tactics and strategies that have been developed at PM USA, PM International, Miller and Kraft, to manage those issues. Perhaps most importantly, I will outline the cross-company groups, communication channels and synergies we have begun to develop in order to use our resources most effectively in dealing with issues where common solutions are possible.

In the months since I reported to you last August, we have seen some significant movement on some of the issues I discussed then -- including FDA, OSHA and tort reform. While I will address those issues and the changes that have occurred, I will be putting these, and our other issues, into a larger context. I not only want to discuss recent developments and what we in Worldwide Regulatory Affairs and our colleagues at the other operating companies are doing about them, I also want to tell you about how we see these issues in the long term, and how we intend to manage them with a long-term perspective.

This gives me a lot to cover in the time allotted to me, and to some extent I will only be able to hit the high points rather than every step we're taking or meeting we've had in every country where we do business. It is also true that we are further along on some issue strategies and programs than on others, so I may have more information on one topic than on another. With those two caveats, let me plunge right in.

Our goal in Worldwide Regulatory Affairs is to help shape regulatory environments that enable our businesses to

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